



Puerto Rico Department of Treasury
Treasury Single Account ("TSA") FY 2019 Cash Flow
As of September 7, 2018

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Glossary

Term	Definition
AACA	Automobile Accident Compensation Administration, or Administración de Compensaciones por Accidentes de Automóviles, is a component unit of the Commonwealth of Puerto Rico.
Act 154	Act 154 means Act No. 154-2010, which, inter alia, imposes a temporary excise tax on the acquisition by multinationals of certain property manufactured or produced in whole or in part in Puerto Rico and on the acquisition of certain manufacturing services carried out in Puerto Rico. The Act 154 temporary excise tax expires on December 31, 2027.
AFI/RBC	Infrastructure Financing Authority.
Agency Collections	Collections made by central government agencies at collection posts for services rendered by the agencies as well as fees, licenses, permits, fines and others.
ASC	Compulsory Liability Insurance, private insurance company.
ASSMCA	Administración de Servicios de Salud Mental y Contra la Adicción, or Mental Health and Addiction Services Administration, is an agency of the Commonwealth of Puerto Rico.
Bank Checks Paid	A report provided by the bank that is utilized to determine vendor payments.
BBA	BBA refers to the Bipartisan Budget Act of 2018 passed by the United States Congress on 2/9/2018. The BBA includes provisions for additional disaster relief funding for Puerto Rico in addition to incremental federal funds to support Puerto Rico's public health care costs (Medicaid funding) for two years.
BPPR	Banco Popular of Puerto Rico.
Budget Reserves	Non-cash reserves for budgeting purposes.
Checks in Vault	Refers to checks issued but physically kept in vault.
Collections	Collections made by the Department of the Treasury (Treasury) at collection posts and/or the Treasury revenue collection systems, such as income taxes, excise taxes, fines and others.
COFINA	Puerto Rico Sales Tax Financing Corporation.
COFINA SUT Collections	Throughout FY2019 the first 5.5% (of total 10.5%) of gross SUT collections are reserved for and deposited into the COFINA bank account held at BNY Mellon until a \$783M cap has been reached on total SUT collections remitted to COFINA.
DTOP	Department of the Transportation and Public Works.
DTPR	Department of the Treasury of Puerto Rico.
ERS	Employees Retirement System means the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, a statutory trust created by Act No. 447 of May 15, 1951, as amended, to provide pension and other benefits to retired employees of the Commonwealth, its public corporations and municipalities. ERS is a fiduciary fund of the Commonwealth of Puerto Rico for purposes of the Commonwealth's financial statements.
General Fund	General Fund (Operating Fund) means the Commonwealth principal operating fund; disbursements from such fund are generally approved through the Commonwealth's annual budgeting process.
DTPR Collection System	This is the software system that DTPR uses for collections.
HTA	Puerto Rico Highways and Transportation Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
JRS	Judiciary Retirement System means the Retirement System for the Judiciary of the Commonwealth of Puerto Rico, a statutory trust created to provide pension and other benefits to retired judges of the Judiciary Branch of the Commonwealth. JRS is a fiduciary fund of the Commonwealth of Puerto Rico for purposes of the Commonwealth's financial statements.
Liquidity Plan	The FY 2013 TSA Liquidity Plan is under development and will be finalized by 7/31/18. Reporting thereafter will include a comparison of TSA cash flow to the FY 2019 TSA Liquidity Plan.
Net Payroll	Net payroll is equal to gross payroll less tax withholdings and other deductions.
NAP	NAP, or the Nutrition Assistance Program, also known as PAN, or Programa de Asistencia Nutricional is a federal assistance nutritional program provided by the United States Department of Agriculture (USDA) solely to Puerto Rico.
Pension PayGo	Pension PayGo: Puerto Rico pension system that is funded through a pay-as-you-go system. Retirement benefits expenses of government employers are paid by the central government and reimbursed by the employers, with such funds received by the TSA.
PRASA	Puerto Rico Aqueducts and Sewers Authority.
PREMA	Puerto Rico Emergency Management Agency.
PREPA	Puerto Rico Electric Power Authority.
PRHA	Puerto Rico Housing Authority.
PRIFAS	Puerto Rico Integrated Financial Accounting System.
Retained Revenues	Revenues conditionally assigned to certain public corporations and the collections of those revenues are through accounts referred to as "pass-through" accounts. The largest of these pass-through accounts consist of (i) AACA auto insurance, (ii) AFI/RBC petroleum tax, (iii) ASC personal injury insurance, (iv) HTA toll revenues.
RHUM System	This is the software system that DTPR uses for payroll.
SIFC	State Insurance Fund Corporation.
Special Revenue Funds	Commonwealth governmental funds separate from the General Fund that are created by law, are not subject to annual appropriation and have specific uses established by their respective enabling legislation. Special Revenue Funds are funded from, among other things, revenues from federal programs, tax revenues assigned by law to public corporations and other third parties, fees and charges for services by agencies, dividends from public corporations and financing proceeds.
SSA	Social Security Administration.
TRS	Teachers Retirement System means the Puerto Rico System of Annuities and Pensions for Teachers, a statutory trust created to provide pension and other benefits to retired teachers of the Puerto Rico Department of Education and to the employees of the Teachers Retirement System. TRS is a fiduciary fund of the Commonwealth of Puerto Rico for purposes of the Commonwealth's financial statements.
TSA	Treasury Single Account, the Commonwealth's main operational bank account (concentration account) in which a majority of receipts from Governmental funds are deposited and from which most expenses are disbursed. TSA receipts include tax collections, charges for services, intergovernmental collections, the proceeds of short and long-term debt issuances and amounts held in custody by the Secretary of the Treasury for the benefit of the Commonwealth's fiduciary funds. Only a portion of the revenues received by the TSA is included in the annual General Fund budget presented to the Puerto Rico Legislative Assembly for approval. Other revenues are separately assigned by law to certain agencies or public corporations but still flow through the TSA.

Introduction

- *Enclosed is the weekly Treasury Single Account ("TSA") cash flow report and supporting schedules.*
- *TSA is the Commonwealth's main operational bank account (concentration account) in which a majority of receipts from Governmental funds are deposited and from which most expenses are disbursed.*
- *Beginning April 2016, TSA receipts are deposited in a commercial bank account rather than the Government Development Bank for Puerto Rico ("GDB").*
- *Receipts in the TSA include tax collections (including revenues assigned to certain public corporations and pledged for the payment of their debt service), charges for services, intergovernmental collections (such as reimbursements from Federal assistance grants), the proceeds of short and long-term debt issuances held in custody by the Secretary of Treasury for the benefit of the Government fiduciary funds, and other receipts. Only a portion of the revenues received by the TSA is included in the annual General Fund budget presented to the Puerto Rico Legislative Assembly for approval. Other revenues are separately assigned by law to certain agencies or public corporations but still flow through the TSA.*
- *Disbursements from the TSA include payroll and related costs, vendor and operational disbursements (including those reimbursed by Federal assistance grants and funded from Special Revenue Funds), welfare expenditures, capital outlays, debt service payments, required budgetary formulas and appropriation payments, pass-through payments of pledged revenues to certain public corporations, tax refunds, payments of current pension benefits and other disbursements.*
- *Federal funds related to disaster relief for hurricanes Irma and Maria are deposited in a separate bank account overseen by the Government Authorized Representative ("GAR"), and transferred to the TSA only after admissible disbursements (per approved Project Worksheets) have been made.*
- *Data for TSA inflows/outflows is reported from various systems within the Department of Treasury of Puerto Rico ("DTPR"):
Cash Flow Actual Results - Source for the actual results is the TSA Cash Flow.
Schedule A - Collections - Source for collections information is the DTPR collections system.*
- *Data limitations and commentary:
The government has focused on the seven schedules above for which access to reliable, timely, and detailed data is available to support these items. The government continues to work with DTPR and other parties to access additional reliable data that would help us provide detail in the future for other line items in the Cash Flow.*

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Executive Summary - TSA Cash Flow Actual Results

As of September 7, 2018

		Key Figures			
\$3.06bn	\$172M	(\$260M)	(\$88M)	(\$40M)	
Bank Cash Position	Weekly Cash Receipts	Weekly Cash Disbursements	Weekly Cash Flow	YTD Cash Flow	

Note: The enclosed TSA report includes weekly FY19 actual TSA results. The FY 2019 TSA Liquidity Plan is under development. Following the development of the FY 2019 TSA Liquidity Plan, this package will include a comparison of FY19 actual TSA cash flow data to the FY 2019 TSA Liquidity Plan along with the relevant commentary. Until that time, FY18 actual TSA results will be presented for comparison purposes and variance analysis.

Summary Commentary: FY19 9/7 YTD Actuals vs. FY18 9/8 YTD Actuals (a)

Cash Flow line item	Total Variance	Comments
1 Inflow - Collections	\$ 197,414	Variance is largely driven by FY19 YTD outperformance of Individual Income Taxes (+\$76M) and Act 154 collections (+\$74M).
2 Inflow - Pension Inflows	\$ (325,929)	Variance is mostly due to FY2018 Pension Asset sales of \$390M which occurred in July of 2017.
3 Inflow - Federal Fund Receipts	\$ 857,285	Variance is mainly driven by increased federal funding for the Medicaid Program, Nutritional Assistance, and funds received for federally-reimbursable vendor disbursements.
4 Inflow - PREPA Loan	\$ 126,211	Puerto Rico Central Government loaned \$300M to PREPA pursuant the Superpriority Post-petition Revolving Credit Loan Agreement (The Agreement) in February of FY2018. Inflows relate to mandatory loan repayments based on PREPA revenues and cash balance in FY2019.
5 Outflow - ASES Appropriations	\$ (196,541)	Increase in outflows to ASES (Medicaid funds) corresponds to the increase in Federal Fund Receipts for Medicaid provided for in the BBA.
6 Outflow - Vendor Disbursements	\$ (532,306)	Increase in vendor payments is mainly driven by FEMA Cost Share payments (\$101M), Title III disbursements (\$58M), with the remaining year over year increase due to payments related to the prior budget period, most of which relates to federally reimbursable vendor payments (\$260M).
7 Outflow - NAP appropriations	\$ (191,200)	Increase in outflows for NAP corresponds to the increase in Federal Fund Receipts for the Nutritional Assistance Program provided for in the Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2017.
All Other	\$ 13,454	
Total 8/31 YTD Variance	\$ (51,611)	

Footnotes:

(a) For comparability purposes, YTD figures for the week ended 9/8/2017 are used above for the prior year due to calendar year differences between FY2018 to FY2019.

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As of September 7, 2018

TSA Cash Flow Actual Results for the Week Ended September 7, 2018

(figures in \$000s)		FY19 Actual	FY19 YTD	FY18 YTD	Variance	Comments (k)	
Schedule		9/7	9/7	9/8 (m)	FY19 vs. FY18		
General & Special Revenue Fund Inflows							
1	Collections (a)	A	\$76,741	\$1,383,554	\$1,186,140	\$197,414	1
2	Agency Collections		6,809	88,988	84,476	4,512	
3	Sales and Use Tax		17,772	222,502	206,490	16,012	
4	Excise Tax through Banco Popular		—	126,264	111,217	15,046	
5	Rum Tax		—	57,340	54,361	2,979	
6	Electronic Lottery		—	—	—	—	
7	Subtotal - General & Special Revenue Fund Inflows		\$101,322	\$1,878,648	\$1,642,684	\$235,964	
Retirement System Inflows							
8	Contributions From Pension Systems (b)		2,323	64,551	390,480	(325,929)	2
9	Subtotal - Retirement System Inflows		\$2,323	\$64,551	\$390,480	(\$325,929)	
Other Inflows							
10	Federal Fund Receipts (c)		66,363	1,760,345	903,060	857,285	3
11	Loans and Tax Revenue Anticipation Notes (f)		—	126,211	—	126,211	
12	Other Inflows (d)		1,804	100,893	73,414	27,478	4
13	Subtotal - Other Inflows		\$68,167	\$1,987,450	\$976,474	\$1,010,975	
14	Total Inflows		\$171,812	\$3,930,649	\$3,009,639	\$921,010	
Payroll Outflows							
15	Net Payroll (e)		(2,344)	(274,297)	(272,087)	(2,211)	
16	Other Payroll Related Costs - (SSA, SIFC, Health Insurance) (f)		(8,964)	(210,330)	(218,268)	7,938	
17	Gross Payroll - PR Police Department (g)		(32,076)	(124,656)	(139,363)	14,708	
18	Subtotal - Payroll and Related Costs		(\$43,385)	(\$609,283)	(\$629,718)	\$20,435	
Pension Outflows							
19	Pension Benefits		(2)	(359,226)	(352,419)	(6,807)	
20	Pension Paygo Outlays on Behalf of Public Corporations		—	—	—	—	
21	Subtotal - Pension Related Costs		(\$2)	(\$359,226)	(\$352,419)	(\$6,807)	
Appropriations - All Funds							
22	Health Insurance Administration - ASES		(6,989)	(627,969)	(431,429)	(196,541)	5
23	University of Puerto Rico - UPR		(51,451)	(150,552)	(167,080)	16,528	
24	Muni. Revenue Collection Center- CRIM		(13,916)	(41,749)	(54,932)	13,184	
25	Highway Transportation Authority - HTA		—	(89,500)	(27,719)	(61,781)	
26	Public Buildings Authority - PBA		—	—	(17,578)	17,578	
27	Other Government Entities		(24,920)	(103,555)	(102,837)	(718)	
28	Subtotal - Appropriations - All Funds		(\$97,275)	(\$1,013,325)	(\$801,576)	(\$211,750)	
Other Disbursements - All Funds							
29	Vendor Disbursements (h)		(70,246)	(1,068,776)	(536,470)	(532,306)	6
30	Other Legislative Appropriations (i)		(29,515)	(86,635)	(77,620)	(9,015)	
31	Tax Refunds		(2,534)	(228,310)	(183,304)	(45,006)	
32	Nutrition Assistance Program		(43,349)	(588,693)	(397,492)	(191,200)	7
33	Other Disbursements		26,039	(16,475)	(19,503)	3,028	
34	Loans and Tax Revenue Anticipation Notes		—	—	—	—	
35	Subtotal - Other Disbursements - All Funds		(\$119,606)	(\$1,988,889)	(\$1,214,389)	(\$774,500)	
36	Total Outflows		(\$260,268)	(\$3,970,723)	\$2,998,102)	(\$972,621)	
37	Net Cash Flows		(\$88,456)	(\$40,074)	\$11,537	\$51,611)	
38	Bank Cash Position, Beginning (j)		3,146,392	3,098,010	1,798,997		
39	Bank Cash Position, Ending (j)		\$3,057,936	\$3,057,936	\$1,810,534	\$51,611)	
Net Loan Outstanding to PREPA:				(\$173,789)	—	(\$173,789)	

Footnotes:

(a) Represents gross tax receipts and the special revenue fund portion of posted collections.

(b) FY19 amount represents Paygo charges to municipalities and public corporations collected at the TSA. FY18 amount represents Pension System Asset Sales.

(c) Federal funds related to disaster relief for hurricanes Irma and Maria are deposited in a separate bank account overseen by the Government Authorized Representative ("GAR"), and transferred to the TSA only after admissible disbursements (per approved Project Worksheets) have been made. These inflows to the TSA are captured in Federal Funds Receipts.

(d) Inflows related to the Department of Health, Department of Labor and Human Resources, the Commissioner of Financial Institutions, and others.

(e) Payroll is paid twice per month on the 15th and 30th (or last day of the month, whichever comes sooner).

(f) Related to employee withholdings, social security, insurance, and other deductions.

(g) Police payroll is reflected individually because it is paid through a separate bank account. The Puerto Rico Police Department disburses its own payroll & related benefits, and outflows for Police Payroll relate to requested payroll advances to the central government (TSA), in agreement with DTPR and the approved budget for Police Payroll.

(h) Includes payments to third-party vendors as well as intergovernmental payments to agencies with separate Treasuries.

(i) This refers to General Fund appropriations to non-TSA entities such as Legislative Assembly, Correctional Health, Comprehensive Cancer Center, and others.

(j) Excludes Banco Popular of Puerto Rico Account with balance of approximately \$147M.

(k) Refer to preceding page Executive Summary for commentary regarding FY19 vs. FY18 variances.

(l) Section 2.6(b)(ii) of the Superpriority Post-petition Revolving Credit Loan Agreement (The Agreement) specifies that upon PREPA's receipt of any revenues in excess of amounts necessary to pay budgeted expenses for Ineligible Uses provided for in the Budget (inclusive of the Ineligible Uses Variance) and other allowable expenses for Ineligible Uses, or any FEMA reimbursable expense for contracts that have been obligated by FEMA and approved by the Oversight Board and maintain a maximum cash balance of up to \$300M PREPA shall apply such Revenues to the repayment of the outstanding Revolving Credit Loans.

(m) For comparability purposes, YTD figures for the week ended 9/8/2017 are used above for the prior year due to calendar year differences between FY2018 to FY2019.

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Schedule A: Collections Detail - Actual Results

As of September 7, 2018

(figures in \$000s)											
	Actual 7/6	Actual 7/13	Actual 7/20	Actual 7/27	Actual 8/3	Actual 8/10	Actual 8/17	Actual 8/24	Actual 8/31	Actual 9/7	YTD FY19
General Fund											
1 Individuals	42,803	49,550	47,526	25,330	41,609	41,012	44,623	25,579	32,217	43,072	\$393,323
2 Corporations	8,439	33,440	41,405	2,651	9,103	15,702	29,011	4,273	4,554	24,436	173,014
3 Non Residents Withholdings	2,596	10,926	41,021	229	1,036	8,035	29,940	2,497	227	2,067	98,573
4 Act 154 (a)	409	23,957	161,835	-	3,851	64,086	75,004	213	-	22,664	352,018
5 Alcoholic Beverages	8,766	565	3,147	5,100	6,932	1,938	9,989	2,908	9,298	2,678	51,321
6 Cigarettes	4,563	164	3,862	2,049	3,765	4,523	2,139	121	1,787	2,495	25,468
7 Motor Vehicles	7,840	10,343	11,977	10,504	9,358	14,338	7,075	7,921	11,805	5,840	96,999
8 Other General Fund	6,315	6,420	4,857	2,779	6,451	7,211	6,949	6,882	4,324	5,844	58,033
9 Total General Fund Portion of General Collections	\$81,730	\$135,363	\$315,630	\$48,642	\$82,105	\$156,846	\$204,730	\$50,394	\$64,212	\$109,096	\$1,248,749
Retained Revenues (b)											
10 AACA Pass Through	2,344	949	1,004	1,038	1,809	2,246	898	1,116	1,856	2,195	15,455
11 AFI/RBC Pass Through	166	7	-	146	-	-	172	-	-	-	491
12 ASC Pass Through	1,104	947	935	1,093	1,625	970	907	901	1,542	996	11,019
13 HTA Pass Through	6,798	35,718	2,595	2,706	3,813	27,696	11,655	2,680	3,874	4,514	102,048
14 Total Other Retained Revenues	2,135	1,879	1,153	1,012	1,756	2,916	1,909	1,181	1,367	1,965	17,273
15 Total Retained Revenues Portion of General Collections	\$12,547	\$39,501	\$5,687	\$5,995	\$9,002	\$33,828	\$15,541	\$5,878	\$8,639	\$9,670	\$146,287
16 Total Collections from DTPR Collections System	\$94,277	\$174,864	\$321,316	\$54,637	\$91,107	\$190,674	\$220,271	\$56,272	\$72,852	\$118,766	\$1,395,036
17 Timing-related unreconciled TSA Collections (c)	\$8,332	(\$14,903)	\$38,205	\$7,064	(\$7,155)	(\$64,373)	\$44,972	\$33,001	(\$14,600)	(\$42,025)	(\$11,482)
18 Total General Collections	\$102,609	\$159,961	\$359,521	\$61,701	\$83,952	\$126,300	\$265,243	\$89,273	\$58,252	\$76,741	\$1,383,554

Source: DTPR, collection system

Footnotes:

(a) Collections presented only include Act 154 Collections received into the Collections Post Account (CPA). Additional Act 154 Collections are received into a separate account and cash flow line item, shown on page 6 in line 4: Excise Tax through Banco Popular. Total Act 154 Collections are therefore the sum of these two amounts.

(b) Retained Revenues are revenues conditionally assigned to certain public corporations and the collections of those revenues are through accounts referred to as "pass through" accounts, the majority of which include (i) ACAA auto insurance, (ii) AFI/RBC petroleum tax, (iii) ASC personal injury insurance, and (iv) HTA toll revenues.

(c) Due to timing. Receipts in collections post account occur approximately two business days prior to being deposited into the TSA.